

HIGHLIGHTS

NONPROFIT AND FAITH COMMUNITY ECONOMIC IMPACT SURVEY

April 2003

INTRODUCTION

This report summarizes results from the 2003 Nonprofit and Faith Community Economic Impact Survey, an exploratory study conducted from January through March of 2003. Its goal is to help understand the fiscal and service impact of the 2002 and 2003 economy on nonprofit organizations serving the Fairfax County community. The survey was sent to 294 nonprofit and faith community organizations. Study findings were based on the responses of 64 organizations. Information was collected on actual calendar year 2002 experiences and expectations for calendar year 2003. Information gathered included human services and assistance funding sources, budgets, service types, service demand, and service and management adjustments. Survey respondents represented a cross section of organizations of different budget sizes, service types, geographic locations and service delivery structures. Due to the sample size, the information presented in this report may or may not be representative of all nonprofit organizations and faith communities providing human services to the Fairfax County community.

FINDINGS

Report findings are categorized in this report as follows:

1. Survey Respondent Descriptions.
2. Human Services Provided by Survey Respondents.
3. Demand for Human Services in 2002.
4. 2002 Sources of Funding for Human Services.
5. Changes in Human Services Funding 2001 - 2002.
6. 2003 Expected Changes in Sources of Funding for Human Services.
7. Actions Taken in 2002 as a Result of Funding Reductions in 2002 and Potential Actions to be Taken in 2003.

1. Survey Respondent Descriptions

A total of 64 local community-based organizations (CBO's), faith-based organizations (FBO's)¹ and houses of worship² responded to the Nonprofit and Faith Community Economic Impact Survey, representing 21.8 percent of the 294 surveyed organizations. Every respondent provides human services or assistance to Fairfax County residents.

For the purposes of this study, organizations were classified as small, medium, or large based on their reported 2002 human services budget.³ Most survey respondents were classified as having small (39.1 percent) or medium (45.3 percent) budget sizes. Only 15.6 percent of the respondents were classified as large.

2. Human Services Provided by Survey Respondents

Most survey respondents indicated that they provided multiple services. Those services typically designated as emergency services (food, clothing, financial, medical and housing) were collectively reported by many respondents as provided services. The single most frequently reported provided service was rental and mortgage financial assistance (46.9 percent). Food assistance was the second most often provided service reported by survey respondents (40.6 percent). Examining organizations by size, 60.0 percent of the large organizations and 56.0 percent of the small organizations provide rental and mortgage assistance. Small organizations (60.0 percent) were more likely to report providing food assistance than were organizations classified as medium or large.

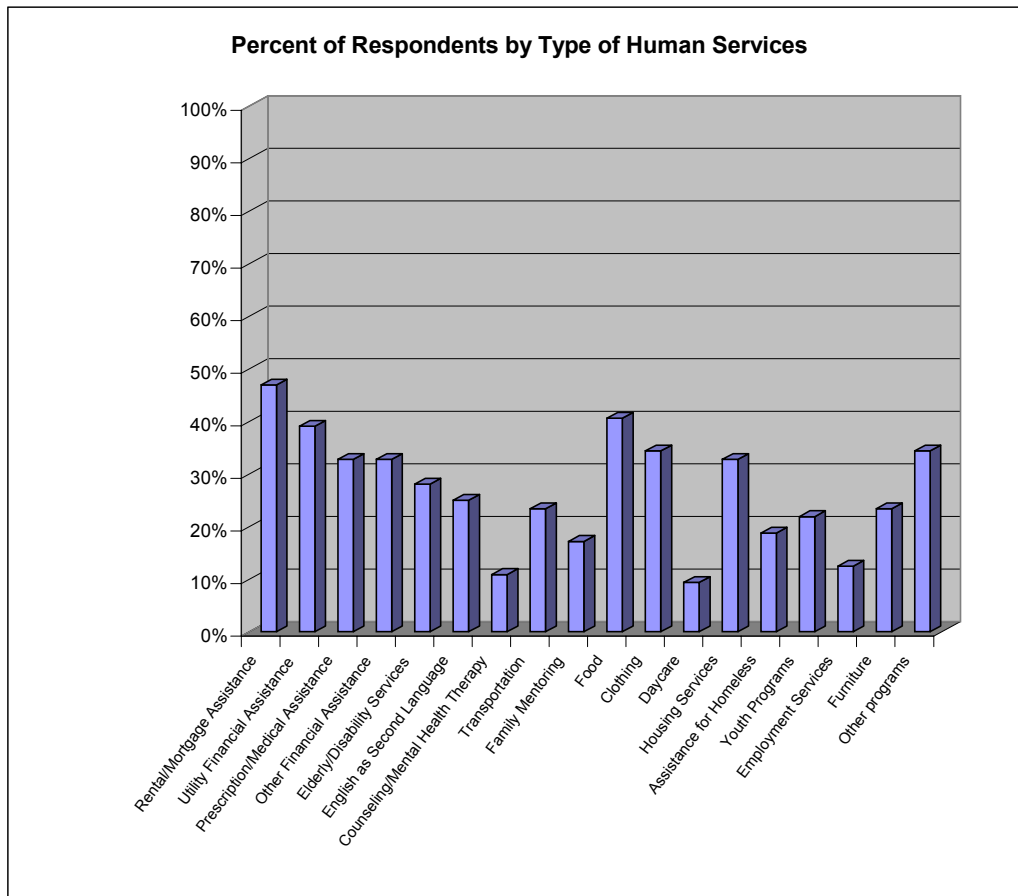
¹ Faith-based organizations are nonprofit organizations affiliated with local, regional or national faith or interfaith organizations or groups.

² Houses of worship surveyed were those identified as a primary referral resource for the Coordinated Service Planning Unit of the Department of Systems Management for Human Service.

³ Small organization budgets are \$100,000 or less.

Medium organization budgets range from \$100,001 to \$1,000,000.

Large organization budgets are \$1,000,001 or more.

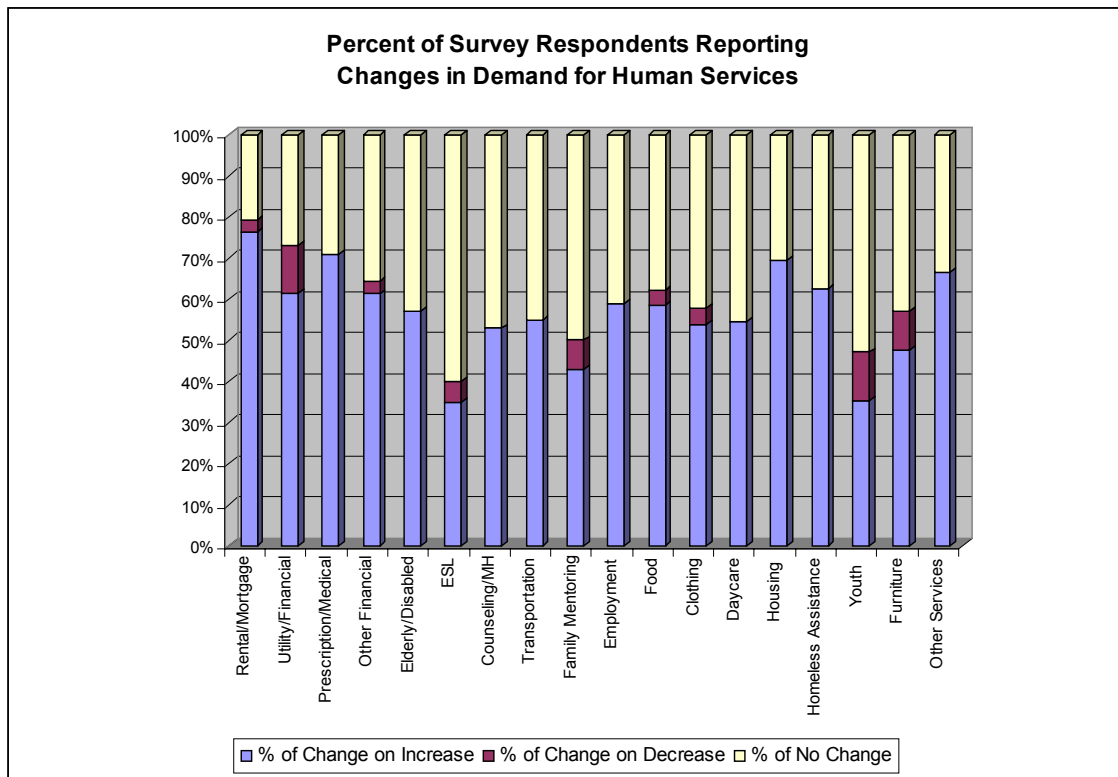


Source: Department of Systems Management for Human Services.
 Note: Data based on total number of respondents.

The total budget reported by all respondents for emergency assistance services was \$1,787,542. Emergency assistance funding from small organizations comprised 40.5 percent of total emergency funding, while 34.6 percent came from medium organizations, and 24.9 percent from large organizations. The total budget for all other services performed by the responding organizations was \$46,802,023.

3. Demand for Human Services in 2002

Survey respondents were asked to provide information on whether they had experienced an increase, decrease, or constant demand for human services in calendar year 2002. Most respondents reported an increase in human services requests, with few reporting a decrease. Services for which respondents most frequently experienced an increase in demand were rental and mortgage assistance (76.5 percent), prescription and medical assistance (70.8 percent) and housing services (69.6 percent).



Source: Department of Systems Management for Human Services.

Note: Data based on number of responses to each question. The number of responses to these questions ranged from 11 to 34 organizations.

Rental/Mortgage	(N=34)	Family Mentoring	(N=14)
Utility/Financial	(N=26)	Employment Services	(N=17)
Prescription/Medical	(N=24)	Food	(N=29)
Other Financial	(N=31)	Clothing	(N=26)
Elderly/Disabled	(N=21)	Daycare	(N=11)
ESL	(N=20)	Housing Services	(N=23)
Counseling/	(N=17)	Homeless Assistance	(N=16)
Mental Health		Youth Programs	(N=17)
Transportation	(N=20)	Furniture	(N=21)
		Other Services	(N=21)

4. 2002 Sources of Funding for Human Services

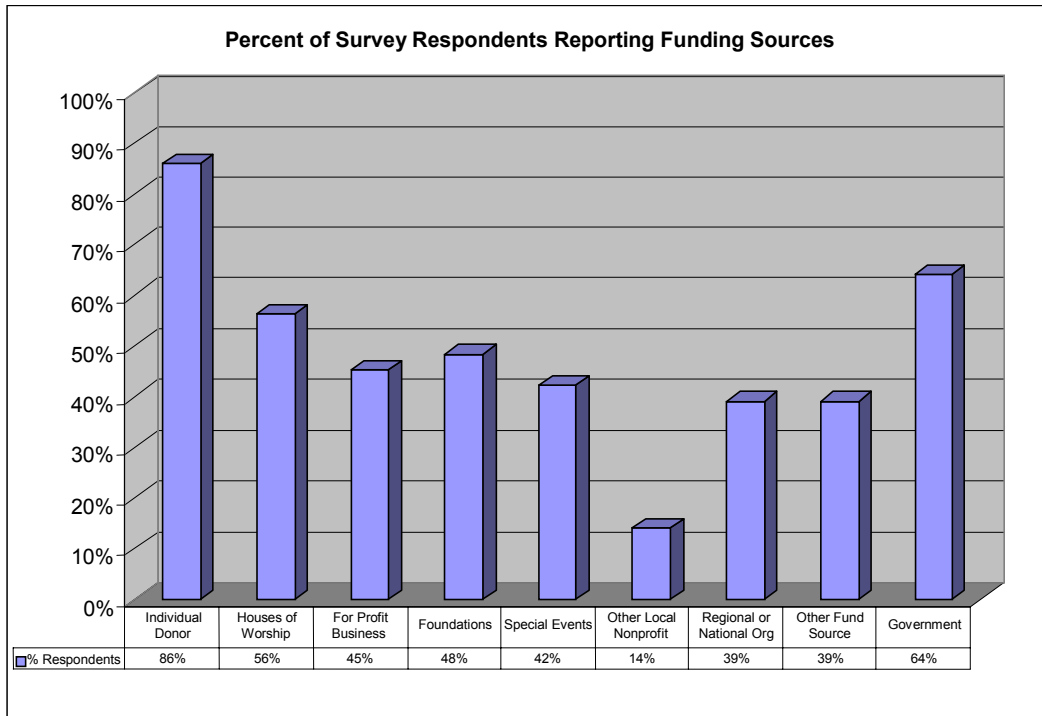
Survey respondents were asked to identify the type and amount of 2002 funding support for Fairfax County community human services programs. All respondents reported receiving at least one form of nongovernment funding. Most (82.8 percent) reported funding support from two or more sources. Funding from individual donors was the most frequently reported source (85.9 percent of respondents). Government funding sources were reported as received by 64.1 percent of the survey respondents. Other frequently reported funding sources were houses of worship and foundations. Over half of the survey respondents received houses of worship support (56.3 percent). Nearly half of the organizations received foundation support (48.4 percent). Other funding sources were reported by 39.1 percent of respondents. Survey respondents reported other funding sources to include: a) fees for services; b) rent payments; c) estate trusts; d) non-cash donated resources; and e) thrift store operation receipts.

Survey respondent funding sources and the funding source budgets varied by organization size. In every case, medium and large organizations were more likely to report receiving funding from any source than were small organizations.

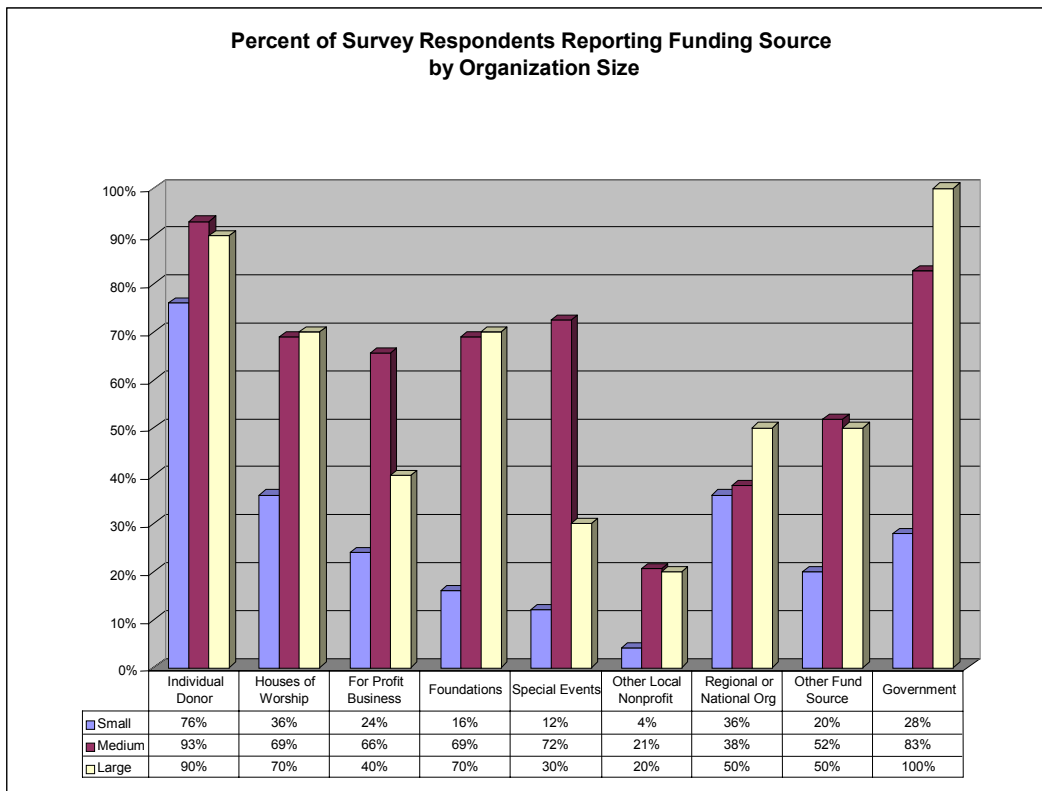
Most small organizations received funding from individual donors (76.0 percent). However, only 27.6 percent of their total budgets came from individual donor funding. Fewer small organizations (28.0 percent) reported receiving government funding; however, government funding totaled 21.4 percent of their total budgets. Both houses of worship and national and regional organization funding were received by 36.0 percent of the small organizations; however, respectively these sources only totaled 14.8 percent and 14.0 percent of small organization budgets.

Most medium organizations reported receiving funding from each of the funding sources. Individual donor funding was reported most frequently by medium size organizations (93.0 percent); however, funding from individual donors only totaled 12.0 percent of total medium organization budgets. Most medium organizations (82.8 percent) also received government funding, which totaled more than half of their budgets (60.6 percent). Foundation funding was reported by 69.0 percent of the medium organizations and totaled 8.5 percent of their total budget.

All of the large organizations received government funding which made up 59.6 percent of their total budgets. Individual donor funding was received by 90.0 percent of the large organizations and totaled 20.1 percent of their total reported funding amount.



Source: Department of Systems Management for Human Services.
 Note: Data is based on the total number of respondents.



Source: Department of Systems Management for Human Services.
 Note: Data is based on the total number of respondents.

5. Changes in Human Services Funding 2001 - 2002

Survey respondents were asked whether funding levels by source of funding decreased, increased or remained constant from 2001 to 2002. An equal number of respondents (60.9 percent) reported an increase as reported a decrease in one or more of any of the funding source types. A total of 21.9 percent reported an increase in government funding, while 20.3 percent of the respondents reported a decrease. Individual donor funding was reported as an increase by 28.1 percent of all respondents, while 37.5 percent of all respondents reported individual donor funding as decreased. Funding from houses of worship, for-profit foundations and businesses, special events, and regional and national organizations were each reported as increases by almost 20 percent of all respondents.

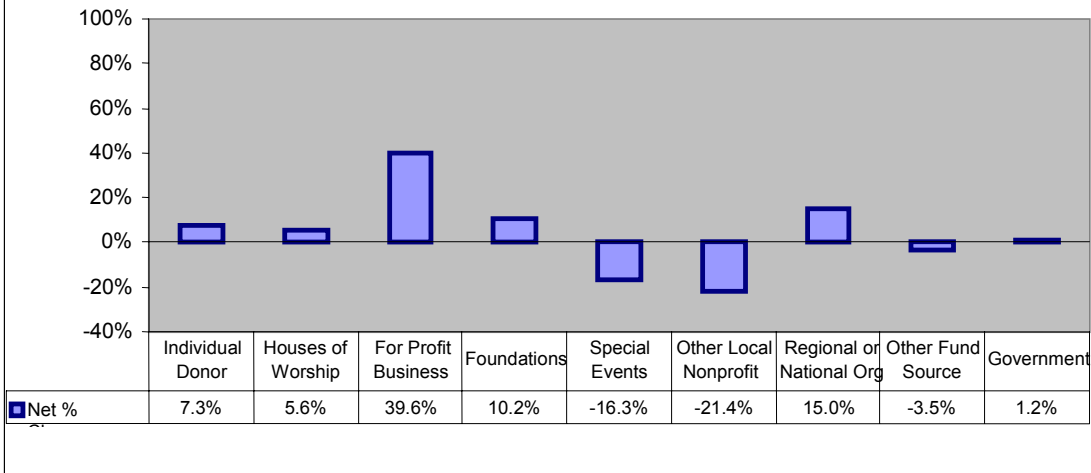
Experienced Decrease or Increase in 2002 in Any Funding Source Type

	Small	Medium	Large	Total
Decrease	52.0%	72.4%	50.0%	60.9%
Increase	44.0%	69.0%	80.0%	60.9%

Medium and large organizations (69.0 percent and 80.0 percent respectively) were more likely to report an increase in any of the funding source types than were small organizations (44.0 percent). Medium organizations were somewhat more likely to report a decrease in any of the funding source types (72.4 percent) than were small (52.0 percent) and large (50.0 percent) organizations. Some respondents stated in the comments that even though they might have received an overall increase, the increase was moderate and not growing at the same pace as expenses or the increase for demand.

Survey respondents overall reported a net budget increase of 3.9 percent from 2001 to 2002. However, results showed that this net increase was primarily due to a 6.6 percent large organization net funding increase (\$2,186,585). Medium organizations experienced a net 4.1 percent (\$439,911) decrease and small organizations experienced only a net 2.2 percent (\$20,836) increase. Large organization net funding increase was a result of increased individual donor, for-profit organization and business, government, and foundation funding. Medium organization net funding decreases were due to decreased individual donor, government, and foundation funding. Smaller amounts of funding were lost in the other funding, other local nonprofit and for-profit organization and business funding categories. Small organization net increases were primarily a result of an increase in regional and national organization funding.

Net Percent Change in Aggregate Budget by Funding Source 2001-2002

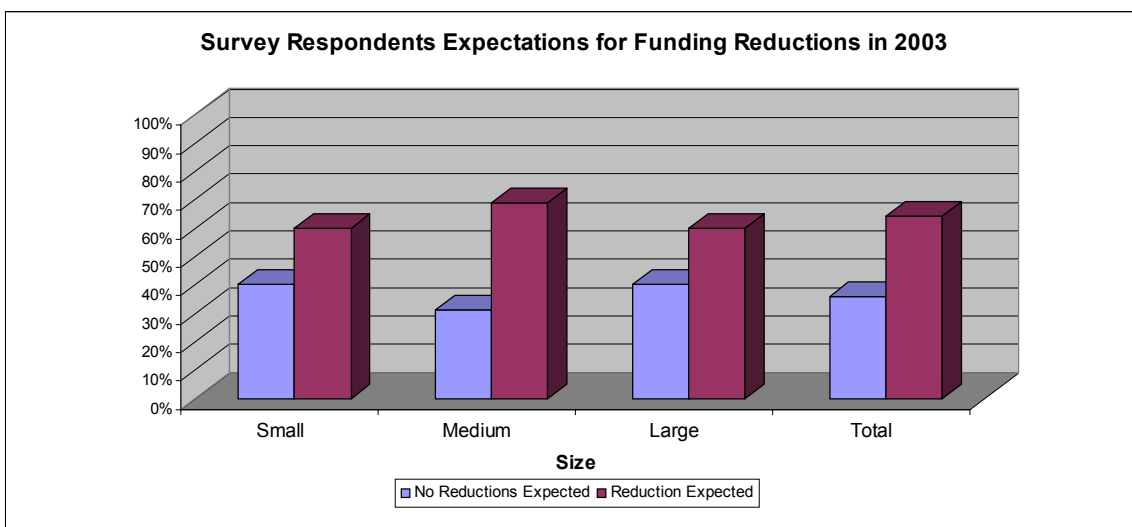


Source: Department of Systems Management for Human Services.

Note: Data reflects the net percent change from total funding reported by type.

6. 2003 Expected Changes in Sources of Funding for Human Services

Survey respondents were asked to report on whether or not they expected reductions in their 2003 budgets for human services programs. Sixty-four percent of the survey respondents reported that they expected a reduction in their 2003 budgets. The percent of organizations expecting a decrease in 2003 varied little by size or type of organization.



Source: Department of Systems Management for Human Services

Note: Data is based on the total number of respondents

7. Actions Taken in 2002 as a Result of Funding Reductions and Potential Actions to Be Taken in 2003

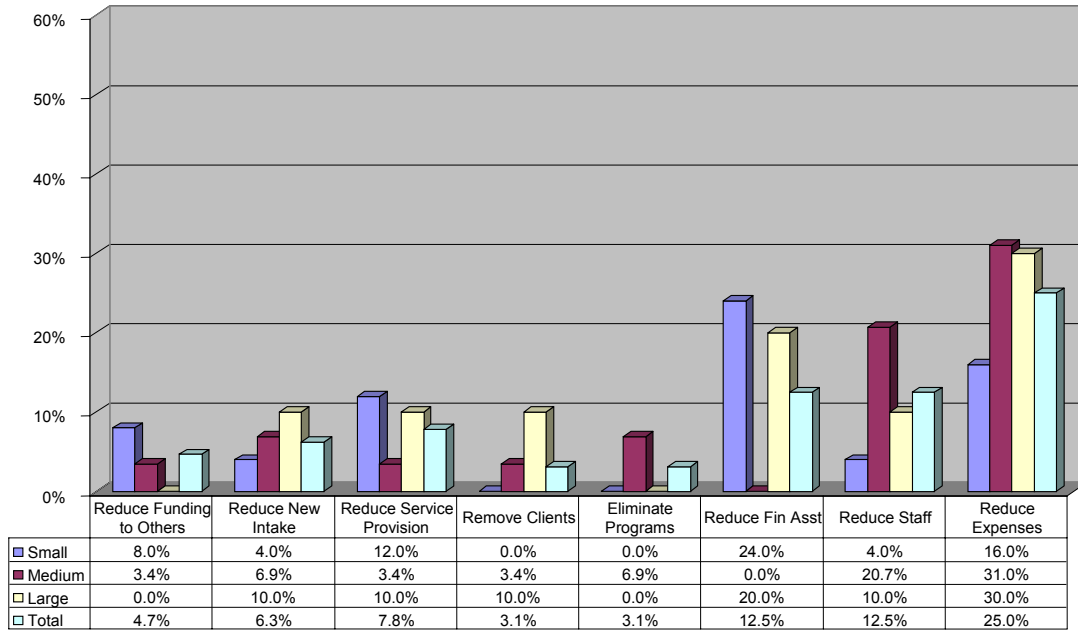
Survey respondents were asked to report on service or management actions taken in 2002 or planned for 2003 as a result of funding decreases. Survey results showed more actions were planned for 2003 than were taken in 2002.

Of the 64, the action most often selected in 2002 in response to funding reductions was to reduce operating expenses (25.0 percent of all respondents). However, large and medium organizations reported this action more than small organizations. Even though no medium organizations selected to reduce client financial assistance, small (24.0 percent) and large (20.0 percent) organizations did take this action in 2002. Medium organizations (20.7 percent) more often reduced paid and salaried staff in response to funding reductions than small or large organizations.

An increased number of respondents (39.1 percent), over those reporting in 2002, planned to reduce operating expenses in 2003 in response to budget reductions. The next most frequently reported adjustments planned for 2003 were to reduce service provision per client (21.9 percent), reduce financial assistance to clients (18.8 percent), and reduce paid/salaried staff (17.2 percent).

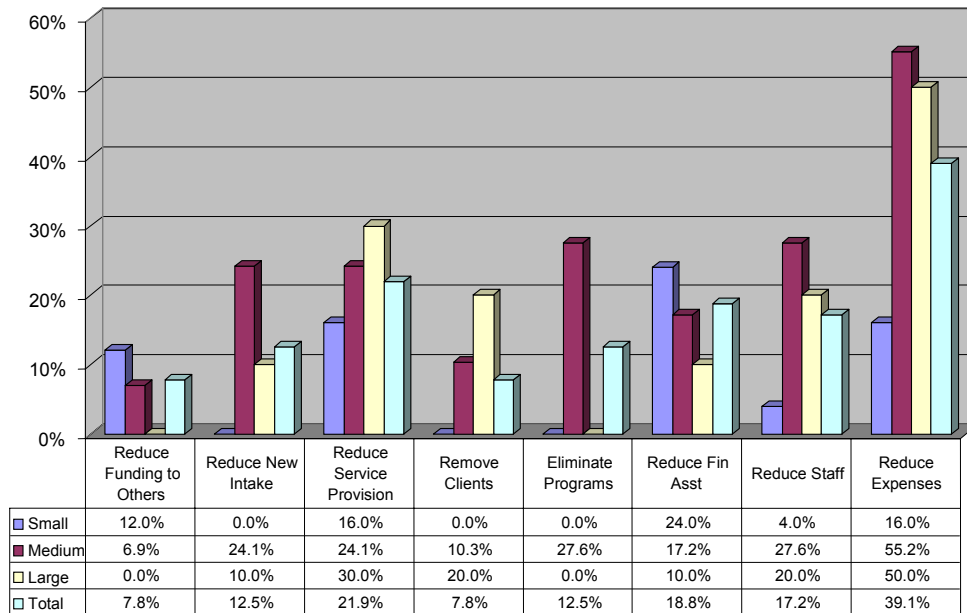
By organization size, 24 percent of small organizations planned to reduce client financial assistance, with a smaller number (16.0 percent) planning to reduce expenses and reduce service provision. Medium organizations planned to reduce expenses (55.2 percent), eliminate programs (27.6 percent), reduce paid and salaried staff (27.6 percent), and reduce new intake of clients and reduce service provision (24.1 percent). Large organizations planned to reduce expenses (50.0 percent), reduce service provision (30.0 percent), remove clients (20.0 percent) and reduce paid and salaried staff (20.0 percent).

Survey Respondents 2002 Action Taken as Result of Reductions in Funding



Source: Department of Systems Management for Human Services
 Note: Data is based on total number of respondents

Survey Respondent 2003 Potential Action to Be Taken as Result of Reductions in Funding



Source: Department of Systems Management for Human Services
 Note: Data is based on total number of respondents